Message Text

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ACTION AF-18

INFO OCT-01 EUR-25 ISO-00 CIAE-00 DODE-00 PM-07 H-03

INR-10 L-03 NSAE-00 NSC-10 PA-04 RSC-01 PRS-01 SPC-03

SS-20 USIA-15 EB-11 COME-00 INT-08 SCEM-02 SCI-06

OMB-01 TRSE-00 CIEP-02 OPIC-12 IO-14 DRC-01 /178 W ------ 111290

R 281558Z DEC 73 FM AMEMBASSY KINSHASA TO SECSTATE WASHDC 6041 INFO AMEMBASSY BRUSSELS

CONFIDENTIAL KINSHASA 11242

E.O. 11652: GDS TAGS: ECON, CG, US

SUBJECT: PETROLEUM DISTRIBUTION IN ZAIRE

REF: STATE 250223; KINSHASA 11092

- 1. MOBIL HAS SENT A POSITIVE AND CONCILIATORY RESPONSE TO GOZ LETTER IN KINSHASA 11092. FINA AND SHELL HAVE SENT LETTERS STATING THAT THEY INTERPRET GOZ DECISION TANTAMOUNT TO NATIONALIZATION AND RESERVING THEIR RIGHTS UNDER LOCAL AND INTERNATIONAL LAW.
- 2. MAGGIAR (MOBIL) HAS GIVEN US COPY OF LETTER HE SENT DEC. 27 TO COMMISSAIRES D'ETAT FOR MINES AND ENERGY STATING: (A) MOBIL HAS TAKEN NOTE OF GOZ'S DECISION; (B) THE FINANCIAL AND OTHER INFORMATION REQUESTED WILL BE TRANSMITTED DEC. 31; AND (C) DURING THE TRANSITION PERIOD, MOBIL WILL COLLABORATE WITH GOZ PLACING AT ITS DISPOSITION ITS KNOW-HOW AND WILL STUDY WITH GOZ MEASURES WHICH SHOULD BE TAKEN TO ASSURE CONTINUITY OF ACTIVITIES AND THUS ARRANGE (CONCILIER) COMMON INTERESTS.
- 3. MAGGIAR SAYS COMMISSAIRES WERE PLEASED WITH HIS CONFIDENTIAL

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LETTER AND REQUESTED HIM AND OTHER SEPZAIRE COMPANIES

TO HELP GOZ FIND TANKERS WITH 2 YEAR LEASES TO BRING CRUDE FROM LIBYA AND FINISHED PRODUCTS FROM ALGIERS. AFTER MEETING, MAGGIAR OFFERED, AND COMMISSAIRES ACCEPTED, TO SEND 26,00 TON TANKER OF CRUDE TO ZAIRE ON JAN. 26.

- 4. COMMENT: MOBIL'S RESPONSE APPEARS TO EMBASSY TO BE OPTIMUM UNDER PRESENT CIRCUMSTANCES. AS MOBIL RECOGNIZES, GOZ CANNOT NOW GO BACK ON ITS PUBLICLY ANNOUNCED DECISION TO BUY OUT OIL DISTRIBUTING COMPANIES. HOWEVER, MOBIL'S TACTIC IS TO ALLOW GOZ MAXIMUM FLEXIBILITY. MAGGIAR POINTS OUT OIL COMPANIES CAN PLACE ORDERS UP TO FEB. 28 AND THIS WILL MEAN DELIVERIES FOR AT LEAST ANOTHER TWO MONTHS. HE DOES NOT RULE OUT EVENTUAL NATIONALIZATION OF REFINERY AND SEPZAIRE WITH PRESENT COMPANIES PURCHASING PRODUCTS FROM GOZ AND AND MARKETING THEM FOR A COMMISSION. END COMMENT.
- 5. AS FOR ELF RUMOR, MAGGIAR CONFIRMS ELF REP HERE LAST WEEK. HE POINTS OUT, EVEN IF ELF INTERESTED, PRESENT COMPANIES HAVE OVER 200 EXPATRIATES THROUGHOUT ZAIRE AND TO SET UP A NEW DISTRIBUTION AND MARKETING NETWORK WOULD TAKE MANY MONTHS.
- 6. MAGGIAR REPORTS GOZ NOW TAKING SOFTER LINE AND HAS INDICATED WILLINGNESS TO CONSIDER PRICE INCREASE THEREBY FURNISHING RELIEF TO OIL COMPANIES.

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Message Attributes

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